

The principal items of increase were : postage (estimated), £7,500, and postage from foreign post offices, £7,718 13s. 11d.; while the miscellaneous receipts were £6,366 less than they were the preceding year.

The expenditure was £172,364 18s. 9d., against £191,750 8s. 3d. expended in 1886–87, a decrease of £19,385 9s. 6d., or 10·11 per cent.

The explanation of this large reduction in the expenditure is, that the payments in 1886–87 for conveyance of mails by sea included far more than the average liabilities of previous years, while the bonus earned by the direct service was over £5,000 more than estimated. The total payments in 1886–87 on account of conveyance of sea mails were £85,288 11s. 2d., against £66,619 10s. 10d. paid last year, a difference of £18,669 0s. 4d.

The estimated value of the free official correspondence was £71,965 6s. 6d., a decrease of £3,641 5s. 5d.

The estimated value of services performed by the post office for the year was, therefore : cash receipts, £207,954 19s. 5d.; official postage, £71,965 6s. 6d.—a total of £279,920 5s. 11d. Deducting the expenditure, £172,364 18s. 9d., and there is a balance of £107,555 7s. 2d. in favour of the department on the year's business.

In addition to the ordinary work performed for the Government Insurance Department, a sum of £12,348 7s. 2d. was received at places where there are no branches of the Bank of New Zealand, and paid over.

The fees collected in respect of the registration of births, &c., amounted to £1,031 6s. 9d.

Fees under the Live Stock Acts, amounting to £14,672 1s., were also received at post offices.

£2,798 was collected in fees for inspection of machinery.

£2,096 property-tax payments, for £253,989, were received at post offices.

£10,171 11s. 1d. was paid on industrial schools boarding-out orders.

Game licenses were issued for £974 13s.

Rates under the District Railways Purchasing Acts, amounting to £197 19s., were also collected.

Deliveries by letter-carriers were extended at Auckland, Dunedin, Gisborne, Taylorville, and Geraldine. The delivery at Ross was abolished.

23 additional Post Office receiving-boxes were established : 10 at Auckland, 2 at Wellington, 1 at Te Aroha, 1 at Greymouth, 1 at Hokitika, 2 at Dunedin, 1 at Maroa, 1 at Mokau, 1 at Westport, 1 at Christchurch, 1 at Oamaru, and 1 at Invercargill.

The total number of pillar, wall, and lamp-post receivers at the close of the year was 282.

6,593,713 letters, 227,683 post cards, 593,993 books, circulars, and parcels, and 1,736,576 newspapers were delivered by letter-carriers.

38 additional post-offices were established, 2 re-opened, and 11 closed during the year, as under :—

Opened.

Alton, Wanganui.
Big Bay (reopened), Hokitika.
Bishopdale, Nelson.
Cameron's Terrace, Greymouth.
Coal Creek, Westport.
Fowler's, Wellington.
Glorit, Auckland.
Gumtown, Auckland.
Greerton, Thames.
Hukerenui, Auckland.
Herekino, Auckland.
Hastwell's, Wellington.
Kaponga, Wanganui.
Kawhia, Auckland.

Kanieri Forks, Hokitika.
Kokiri, Greymouth.
Lower Kokatahi, Hokitika.
Marahau, Nelson.
Maungatapere, Auckland.
Milford Sound, Hokitika.
Manukau, Wellington.
Matawhero (reopened), Gisborne.
Medbury, Christchurch.
Ngahere, Greymouth.
Patoka, Napier.
Patumahoe, Auckland.
Putaruru, Auckland.

Paparata, Auckland.
Queensberry, Dunedin.
Richardson, Greymouth.
Shannon, Wellington.
South Spit, Westport.
Taumutu, Christchurch.
Tapapa, Auckland.
Te Karaka, Gisborne.
Three-mile, Hokitika.
Upper Kokatahi, Hokitika.
Wharoa, Auckland.
Wimbledon, Napier.
Waihopo, Auckland.

Closed.

Grovetown, Blenheim.
Harben, Westport.
Matawhero, Gisborne.
Mackaytown, Thames.

Orewa Falls, Auckland.
Paihia, Auckland.
Puhatikotiko, Gisborne.
Seatonville, Westport.

Taumaranui, Auckland.
Utakura, Auckland.
Waipu Junction, Auckland.

The total number of post offices open at the close of the year was 1,118.

The control of the Hakateramea Post Office has been transferred from the Timaru to the Oamaru Postal District.

The office at Brightwater was removed from the railway-station to a store, and a telephone substituted for a Morse instrument.

The post office, East Oxford, has been placed in the charge of the railway stationmaster.

The names of the following post offices have been changed : Babylon to Parkhurst (Auckland), Te Mawhai to Tokomaru, Wharekahika to Te Awaroa (Gisborne), Canavan's to Orton (Timaru), Albany Street to Dunedin North, Blueskin to Waitati (Dunedin), Arrow River to Arrowtown, Longridge to Balfour (Invercargill).

Government Insurance Agencies were established at the post offices at Nelson Creek, Waimangaroa, Wade, Ngapara, Kirwee, Lincoln, Dunsandel, and Ellesmere.

17 newspapers were registered for transmission by post. The total number on the register in May last was 171.

35 magazines and trade catalogues were also registered ; and the total number registered up to the end of the year was 232.

The Inland Parcel Post was inaugurated on the 1st October last. The manner in which it has been received by the public gives promise that, when it has been thoroughly established and its advantages more generally understood, it will be extensively used. For the six months ended 31st March last, 36,637 parcels were posted, being an average of 6,106 parcels a month.

A Bill has been prepared providing for establishing Foreign Parcel Posts. Should it become law, the intention is to give effect to its provisions as early as practicable.